

## Client Enrichment Series – Q & A



**Topic:** *Cost Management Principles*

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**Link to Series Information:** *[www.gsa.gov/ces](http://www.gsa.gov/ces)*

**1) *What variables could result in differences in estimate values between projects in a federal building vs a private sector buildings? And has GSA been able to document the percent cost increase of projects in federal buildings due to the additional restrictions/requirements?***

**Answer -** Estimate values between projects in a federal building vs a private sector buildings differ because we have regulations and laws that increase our cost, such as our building are built to last for longer durations, have increased security measures, enhanced energy savings and sustainability policies, measures initial cost might be higher for long term savings There are also laws, and other regulations private sector builders are not responsible for like: Davis Bacon Act. Energy Policy Act, Energy Independence and security Act, EO 13783,EO13834, Federal Register 83 FR 8463 just to name a few...

**2) *Can data on the delta between original and actual costs be made available to aid in developing future estimates?***

**Answer -** Market location, the economy, and labor pools vary from project to project normalizing the cost to evaluate project details has not been accomplished to date. We rely on our industry peers to develop cost models and tools to utilize, like R.S.Means cost data.

**3) *Does GSA track and document completed TI projects costs based on actual, including GSA funded/amortized costs and RWA costs, so that you can show historical costs per sf for Tenant Improvement (TI) by agency?***

**Answer -** GSA is in the process of developing a historical database but at this time we do not have that information for all agencies and type of projects, however, we do have benchmark estimates for the courts where we have normalized cost based upon past projects since 1991.

**4) *What is the time duration on the Cost Management and the Project Life Cycle?***

**Answer -** The timeline varies from project to project and project size. As you can imagine a congressionally approved project may take up to 5 years, but for an RWA on a small

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project, the life cycle is more expedient. Cost management occurs over the project's duration, you might hear the term "Cradle to Grave".

**5) Why ask for an RWA prior to identifying a site? Depending on the successful offeror, the build-out could be reduced.**

**Answer -** Requiring RWAs prior to a lease being awarded is a fiscal law requirement to ensure the government has the full funding available to cover the cost of the lease being signed. Should cost savings become realized, the RWA can and should be reduced.

**6) Did I hear correctly that GSA has inhouse designers? If so, what is the scope limit for being able to use them and is there a cost associated?**

**Answer -** No, we hire design firms to perform our design work

**7) In what phase does the cost estimation take place? If it happens after the RWA is created, how will the customer request the correct amount of funds via RWA?**

**Answer -** Cost estimation occurs throughout the project life cycle, with an initial cost estimate established during the requirements development phase, which is prior to RWA acceptance. RWAs can and should be amended throughout the project life cycle as costs increase or decrease.

**8) Where in the process must GSA prepare the Independent Government Estimate (IGE)?**

**Answer -** IGE is a part of requirements development and is done at the beginning of the project.

**9) If too much RWA funding is obligated can GSA use the excess to pay down TI? What if I specify pay down of TI in my OA?**

**Answer -** An RWAs bona fide need, developed scope, and associated estimate should not create an opportunity to have "too much funding" on the RWA. If the project comes in under the authorized amount, the funding should be returned to the customer. Electing to buy down TI must be identified in the OA and an RWA must be provided to specifically fund the buy down, Additionally, customers can only buy-down excess and above standard TI, not standard TI, which is amortized into rent.

**10) We have been told by our local GSA region that RWA's submitted as described by Example #1 - a project with few concrete parameters, will not be accepted. Is that true for all GSA regions?**

**Answer -** The year end deadlines do impact what regions are able to do and which range of accuracy the estimate will realistically be when requests come in later in the fiscal year. The intention of this example is to bring light to the time in the fiscal year and its' impact on the requirements development and cost estimating process.

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**11) When is the new Express Menu of Services offering expected to take effect?**

**Answer -** March 2019, then it must be rolled out and incorporated into regional contracts which will extend through the end of the FY. 3 of FY19

**12) Are they going to modify existing contracts to include the express menu or are they going to wait for a new solicitation?**

**Answer -** There are plans for both modifying existing Job Order Contracts and Line Item contract, as well as creating new contracts.

**13) If you create a Work Request in eRETA, what happens if you decide not to issue the RWA? Can you delete it?**

**Answer -** Submitting a Work Request in eRETA doesn't "force" you to fund it as an RWA. If, after reviewing the need and prioritizing other needs, you can cancel it or abandon it. It's not an official RWA until both parties sign the RWA.

**14) Where can I go to learn more about eRETA, RWA Policy, Express Menu of Services, etc?**

**Answer -** Visit our Client Enrichment Series page at [www.gsa.gov/ces](http://www.gsa.gov/ces) for a schedule of upcoming classes and an archive of past presentations, links to session videos, and Q&A documents or check out the program-specific resources available on [www.gsa.gov/rwa](http://www.gsa.gov/rwa) and [www.gsa.gov/ereta](http://www.gsa.gov/ereta).